NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE CASH MARKETS (1/22):
BUTTER: Grade AA closed at $1.4275 (-.0025).
CHEESE: Barrels closed at $1.2200 and blocks at $1.2500. The weekly average for barrels is $1.2550 (-.2610) and blocks is $1.2800 (-.3475).
NONFAT DRY MILK: Extra Grade closed at $1.0700 and Grade A at $1.0700. The weekly average for Extra Grade is $1.0700 (N.C.) and Grade A is $1.0700 (N.C.).

BUTTER: The butter market tone remains unsettled. Butter production across the country varies. Some printers are cautious to build inventories at this time, while others are beginning to store butter for late summer and fall needs. Current buying interest is slow and unaggressive. For the most part, orders are being placed for short term or immediate needs. Stocks of both bulk and print butter are readily available to meet current buyer interest.

CHEESE: The cheese market is unsettled to weak. Prices on cheese varieties based on either the block or barrel quotes at the Chicago Mercantile Exchange are sharply lower. Demand is typically lighter as buyers try to delay purchases until prices hit the bottom before reordering. Other users, that kept inventories low entering the new year, are covering short term needs. Offerings are increasing due to slower sales and heavy seasonal production. Current cheese prices are at levels where switching milk to butter/powder production may increase returns. Many plant operators expect to face "red ink" in early 1999 when producing cheese at current prices while the milk price declines will probably occur more slowly.

FLUID MILK: Milk production is increasing seasonally through most of the country. Manufacturing schedules remain very heavy seasonally. Bottler usage was steady to often lighter, particularly in areas where recent winter storms had stimulated increased consumer demand. The falling cheese price has caused some producers to look to shift milk from cheese production to butter/powder. Some milk producers are also looking at increased culling to compensate for the expected decline in milk prices during the next couple of months.

DRY PRODUCTS: In general, dry product markets remain weak and prices are trending lower. Heavy volumes of manufacturing milk are being processed. Powder offerings remain at least adequate for the often light interest.

DECEMBER MILK PRODUCTION (NASS): Milk production in the 20 major states during December totaled 11.4 billion pounds, up 3.0% from production in these same states in December 1997. November revised production, at 10.9 billion pounds, was up 2.7% from November 1997. Production per cow in the 20 major states averaged 1,478 pounds for December 1998, 40 pounds (2.8%) above December 1997. The number of cows on farms in the 20 major states was 7.74 million head, 12,000 (0.2%) above December 1997 but 1,000 head below November 1998. Initial estimated 1998 U.S. production totals 157.9 billion pounds, 1.3 billion pounds (0.8%) above the 156.6 billion pounds during 1997.

NOVEMBER FLUID MILK SALES HIGHLIGHTS (USDA, AMS): During November, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.6% below the previous year and 0.2% above October 1998 on an adjusted daily average basis. Sales of whole milk items were 0.9% below the previous year; sales of fat-reduced milk items were 0.3% below the previous year. Total fluid milk sales were higher in the Midwest and Southwest, and lower in the Northeast, Southeastern, and Far West regions. Cumulative total fluid item sales from January through November are 0.5% below the same period in 1997.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During December, about 7.4 billion pounds of milk were marketed under Federal orders; an estimated 2.3 billion pounds was not pooled due to disadvantageous price relationships. Producer deliveries were about 3.0% more than December 1997, and about 3.0% more than November 1998 on an estimated daily average basis. Milk utilized in Class I products in December was 1.2% more than last year on an adjusted basis. The average blend price was $17.63, $3.37 more than last year. Changes in class prices from year-earlier levels were: Class I, up $3.21; Class II, up $3.21; Class III, up $4.05; and Class III-A, up $0.99.

****SPECIALS THIS ISSUE****

CHICAGO MERCANTILE EXCHANGE CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-42,000 lbs.

PRODUCT	MONDAY JAN 18	TUESDAY JAN 19	WEDNESDAY JAN 20	THURSDAY JAN 21	FRIDAY JAN 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	CME	$1.3500 (-.1000)	$1.2250 (-.1250)	$1.2250 (N.C.)	$1.2200 (-.0050)	-.2300	$1.2550 (-.2610)
40# BLOCKS	CASH	$1.3700 (-.1275)	$1.2500 (-.1200)	$1.2500 (N.C.)	$1.2500 (N.C.)	-.2475	$1.2800 (-.3475)
NONFAT DRY MILK EXTRA GRADE	DAIRY	$1.0700 (N.C.)	$1.0700 (N.C.)	$1.0700 (N.C.)	$1.0700 (N.C.)	N.C.	$1.0700 (N.C.)
GRADE A	MARKETS	$1.0700 (N.C.)	$1.0700 (N.C.)	$1.0700 (N.C.)	$1.0700 (N.C.)	N.C.	$1.0700 (N.C.)
BUTTER GRADE AA	CLOSED				$1.4275 (-.0025)	-.0025	-----

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

Trading Activity - January 18 - 22, 1999

THERE WAS NO TRADING SESSION HELD ON MONDAY, JANUARY 18.

TUESDAY, JANUARY 19, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 9 CARS BARRELS: 1 @ $1.3500, 1 @ $1.3700, 1 @ $1.3925, 1 @ $1.4000, 1 @ $1.4100, 1 @ $1.4200, 1 @ $1.4325, 1 @ $1.4350, 1 @ $1.4375; 17 CARS 40# BLOCKS: 1 @ $1.3700, 2 @ $1.3850, 14 @ $1.4975

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JANUARY 20, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ $1.2250, 1 @ $1.2950, 1 @ $1.3400, 1 @ $1.3450, 1 @ $1.3500; 16 CARS 40# BLOCKS: 2 @ $1.2500, 2 @ $1.3650, 12 @ $1.3700

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ $1.0300; OFFERS UNCOVERED: NONE

THURSDAY, JANUARY 21, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.2250; 5 CARS 40# BLOCKS @ $1.2500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ $1.0300; OFFERS UNCOVERED: NONE

FRIDAY, JANUARY 22, 1999

CHEESE -- SALES: 7 CARS 40# BLOCKS: 5 @ $1.2475, 2 @ $1.2500; BIDS UNFILLED: 2 CARS 40# BLOCKS @ $1.2100; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.2200

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ $1.0300; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 14 CARS GRADE AA: 1 @ $1.3600, 1 @ $1.3800, 1 @ $1.4150, 2 @ $1.4200, 2 @ $1.4225, 4 @ $1.4250, 3 @ $1.4275; BIDS UNFILLED: 19 CARS GRADE AA: 1 @ $1.3925, 1 @ $1.3825, 10 @ $1.3600, 2 @ $1.2250, 1 @ $1.2200, 2 @ $1.2150, 2 @ $1.2100; OFFERS UNCOVERED: 13 CARS GRADE AA: 9 @ $1.4275, 4 @ $1.4300

BUTTER MARKETS

NORTHEAST

Premium structures are unchanged. At the January 15 trading session of the CME, the butter close was unchanged at $1.4300. This is the third consecutive close at this figure. Many contacts still feel that prices will move lower, but the question is as much when as how much lower will it go. Most buying is for immediate needs; few people seem to want to store butter at current price levels. The continued high butter prices are also effecting cream sales and consumption. Retail sales of print butter are just fair. Food service orders are holding fairly steady.

CENTRAL

Butter prices are unchanged with a mixed market tone. Recent trading activity at the cash market in Chicago indicates that some buyers are looking to purchase at lower prices. Some producers and handlers are stating that inventorying product at current price levels is uncomfortable and they are approaching the situation very cautiously. Others are taking advantage of available milk and cream and storing stocks for future needs. Overall butter demand is slow and unaggressive. Most orders are being placed for short term needs. Stocks for current buying interest are readily available. Food service orders are typical for mid January with retail orders steady. Retail buyers are stating that they see consumer buying patterns to be in line with last year at this time even though prices are higher, but lower than past months.

WEST

Differentials held steady for this week. Sales activity has slowed somewhat after the holiday rush, but offerings continue to clear. Stock levels are in balance at most manufacturing plants. Manufacturers are also beginning to store more butter for summer/fall needs. Buyers continue to place orders for both current needs and to store for future use. Some contacts are a little nervous about storing butter at the $1.43 level, but others feel that prices will be firm again this fall and current prices are OK. Many contacts wonder if prices may not fall further this late winter and early spring. Cream offerings are more plentiful as production of some high fat products related to the holiday period have declined. Most of this additional cream is going into the churns. Print orders for January are average. Store brand prices are often priced much lower than national brands at this time. Food service and institutional orders are fair, but unaggressive.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

FIGURES REPRESENT THE RANGE IN PREMIUMS OR DISCOUNTS (CENTS/POUND) FROM THE CME GRADE AA CASH BUTTER CLOSE JANUARY 15, 1999 CLOSE = $1.4300

STYLE	NORTHEAST	CENTRAL	WEST
BULK	+4 TO +5	flat TO +3	-5 TO -2

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
JANUARY 16	1.8170 5,809,989	1.7458 9,226,488	1.0655 14,987,645	1.4150 3,354,006	0.2143 6,326,018

Further data and revisions may be found on the Internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices are sharply lower on cheddar and process items; unchanged on Swiss. The market tone is still quite weak as buyers are purchasing only for immediate needs. Producers are also trying to keep their stocks as current as possible. With 40# block prices falling over 40 cents in the past two weeks, there is a little less hesitation about putting cheddar into aging programs. Production levels are moderate as surplus milk supplies have been lighter than expected. Recent storms have induced increased demand for bottled milk which reduces the volumes of surplus milk. Retail and food service orders are generally steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6250-2.1125
Cheddar Single Daisies	:	1.5975-2.1125
Cheddar 40# Block	:	1.7675-1.9125
Process 5# Loaf	:	1.7050-1.8575
Process 5# Sliced	:	1.7300-1.9175
Muenster	:	1.8050-2.0900
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Recent price declines at the Chicago Mercantile Exchange into the $1.30s from $1.86 (barrels) and $1.90 (blocks) have some buyers delaying purchases or working off high priced inventory. Some buyers are honoring commitments while others have cut back on deliveries. Also, pressure is building on some producers to switch from the "weekly average" price to the Friday close for the lower price. Spot activity is generally light. While a few fast food process promotions are underway, process in general is "off-season" until closer to spring. Mozzarella movement is fair to good. The lower cash prices make cheddar aging programs easier to handle financially though at least one regular producer is having difficulty in meeting orders. December milk production in major upper Midwestern milk producing areas was well (1.8% - 5.5%) above December 1997. Milk solids content is steady to just slightly lower, but cheese yields remain seasonally good.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6850-2.1700
Brick And/Or Muenster 5#	:	2.0950-2.1600
Cheddar 40# Block	:	1.8875-2.1600
Monterey Jack 10#	:	2.0775-2.3300
Blue 5#	:	2.2225-2.6900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9600-2.2300
Grade A Swiss Cuts 6 - 9#	:	2.5400-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JANUARY 18 - 22, 1999
BARRELS*	:	$1.4500 - 1.5150 (NOMINAL)
	:	(-$.2025) (-.1575)
40# BLOCKS	:	$1.4975 - 1.6475 (NOMINAL)
	:	(-$.1825) (-.1400)

( ) Change from previous week. * If steel, barrel returned.

WEST

Natural and process cheese prices are again sharply lower following trading sessions at the CME. From the peak through January 20, block cheese prices have declined 65 cents and barrels have declined 63 1/2 cents. Contacts generally were expecting a decline, but the speed and magnitude have surprised some/most of them. Even with the major price declines in the near past, and the strong possibility of additional declines, sales activity is rated as fair in the Western region. Generally, buyers don't have much in the way of stocks on hand so they need to continue making purchases on a regular basis even if they might feel that there could be an advantage in holding off. Some are certainly waiting as long as they can, but for most that is less than a week. Offerings of cheese remain in close balance with demand in the West. Stocks are building, but they are not too concerned in the short run. Mozzarella remains in short supply. Swiss is in good balance.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6575-1.9250
Cheddar 40# Block	:	1.7275-1.8875
Cheddar 10# Cuts	:	1.9175-2.1475
Monterey Jack 10#	:	1.9375-2.1100
Grade A Swiss Cuts 6 - 9#	:	2.4200-2.5400

FOREIGN

Domestic prices are sharply lower again this week. Demand for most types of imported or domestically made foreign type cheese is slow and typical for this time of year. Supplies of most types are adequate to meet current needs. With domestic cheese prices dropping so fast and availability increasing, the demand for imported cheese for processing is easing.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	:	NEW YORK		
VARIETY	:	IMPORTED	:	DOMESTIC
Roquefort	:	5.5000-6.8900	:	-0-
Blue	:	2.6400-3.1400	:	1.9600-2.5700*
Gorgonzola	:	3.2400-5.9400	:	2.4900-2.6550*
Parmesan (Italy)	:	TFEWR	:	3.3700-3.4100*
Romano (Italy)	:	2.1000-2.9000	:	-0-
Provolone (Italy)	:	3.4400-5.5000	:	1.6325-2.1600*
Romano (Cows Milk)	:	-0-	:	3.1375-5.3750*
Sardo Romano (Argentine)	:	2.6500-3.2900	:	-0-
Reggianito (Argentine)	:	2.6500-3.2900	:	-0-
Jarlsberg-(Brand)	:	2.7400-3.1200	:	-0-
Swiss Cuts Switzerland	:	-0-	:	2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	:	-0-
Swiss Cuts Austrian	:	2.2500-2.7500	:	-0-
Edam	:		:	
2 Pound	:	TFEWR	:	-0-
4 Pound	:	2.1900-3.0900	:	-0-
Gouda, Large	:	2.3900-3.1500	:	-0-
Gouda, Baby ($/Dozen)	:		:	
10 Ounce	:	27.8000-31.7000	:	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
01/18/99	10,019	:	112,673
01/01/99	7,259	:	105,977
CHANGE	2,760	:	6,696
% CHANGE	38	:	6

FLUID MILK AND CREAM

EAST

Northeastern Milk Market Administrators announce December 1998 uniform (blend) prices: Federal Order (F.O.) 1 is $17.18; F.O. 2, $17.45; F.O. 4, $17.35; F.O. 36, $17.62; and Western NY Milk Market Area, $17.20. During December, milk production in the 20 major states totaled 11.4 billion pounds, up 3.0% from December 1997. The following are the December to December changes for selected states: Florida -5.7%, Kentucky -5.6%, Virginia -5.0%, Pennsylvania unchanged, Texas +0.6%, New York +3.3%, and Vermont +3.7%. Milk production is increasing throughout the South. Class I sales returned to more normal levels across the majority of the region as weather problems were less pronounced this week and the school milk and retail pipelines were refilled. Florida had adequate supplies within the state to meet Class I needs. Florida handlers did not need all of the milk from their regular suppliers. Manufacturing schedules were up sharply in the South from the past couple of weeks while Class I demand was very strong. Manufacturing in the South has gone from a light, mostly weekend, runs to needing to add to the number of plants actually operating. Milk receipts in the Northeast are steady to generally heavier. Manufacturing is seasonally heavy. Condensed skim prices are nominal due to the high price relative to reconstituting NDM. Cream interest from Class II accounts remains light and diversions to churns remains heavy. Some weather related difficulties occurred in the Maryland-Virginia area, but plants were able to handle the milk supplies.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT			
F.O.B. Producing Plants: Northeast	-	1.6445 - 1.8161	
Delivered Equivalent Atlanta	-	1.6588 - 1.8590	M 1.6874 - 1.7446
F.O.B. Producing Plants: Upper Midwest	-	1.6445 - 1.9305	

PRICES OF CLASS II CONDENSED SKIM, $ PER LB WET SOLIDS		
F.O.B. Producing Plants: Northeast	-	1.1500 - 1.5800

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JANUARY 15 - 21, 1999	11
PREVIOUS WEEK	23
COMPARABLE WEEK IN 1998	0

DESTINATIONS: KENTUCKY 11

Class I demand was slower than the often frantic rate of the first 2 weeks of the year. Surplus milk offerings were much heavier due to slower Class I sales and dramatic cheese price declines. A handler made the comment that it seemed like a bad holiday weekend as fluid offers far outstriped demand. More than a few plant staffers are concerned about how spring receipts will be handled if milk receipts remain this far above year ago levels. Surplus milk prices are back down into the area of late December, a few at class, but generally well below class. Besides the milk shipments reported, 21 loads of Wisconsin milk are “direct shipped” to Tennessee and 8 loads to Missouri. Some expected shipments out of area were canceled during the week with most of the reported loads early in the week. Plant milk intakes are steady to slightly higher, though more plant operators found that the recent cold snap (a week or so ago) did cause intakes to dip, at least temporarily. Cream prices are little changed with churns continuing to absorb large volumes of cream. Ice cream interest remains seasonally light. Sour cream output is active. Fat and protein tests are steady to just slightly lower. Manufacturing yields remain good seasonally. The initial estimated December 1998 milk production in selected Midwestern states compared with December 1997 is: Wisconsin 1.932 billion pounds, an increase of 101 million pounds (5.5%); Minnesota 798 million pounds, up 34 million pounds (4.5%); Michigan 451 million pounds, up 8 million pounds (1.8%); and Iowa 358 million pounds, 17 million pounds (5.0%) higher. While cow numbers in these states were unchanged to lower, all state estimates showed increases in the average production per cow.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JAN 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	$ 33.00- 37.00	$ 33.50- 40.00
REPLACEMENT HEIFER CALVES	$180.00-230.00	$100.00-130.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JAN 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	$ 26.00- 38.75	$ 34.00- 40.00

WEST

Fourth quarter milk output for the U.S. compared to last year is estimated to be up 0.8%. Quarterly comparisons for selected Western States are as follows: Arizona up 6.6%, California up 0.8%, Colorado up 4.8%, Idaho up 10.3%, New Mexico up 8.1%, Oregon up 3.1%, Utah up 4.1%, and Washington up 4.0%. Southwestern milk production continues to show increases as weather conditions remain good. Manufacturing plants in California are receiving a lot of milk that some had not anticipated. However, volumes are able to be handled. Plants in Arizona and New Mexico are also receiving increased volumes of milk for manufacturing. Feed is available in the region with quality forage supplies being a concern. Costs and availability of other feed supplies are not major issues. The drop in cheese prices at the CME has caused discussions about what to process milk into and the future milk prices. Western cream prices are lower. Multiple run the wide range of 110 to 125. Cream supplies are ample to long and shipments out of the region for churning are more active, albeit at lower multiples. Condensed skim is more available as cheese makers are using less for standardizing/fortifying. Wet conditions have returned to the Pacific Northwest. Heavy rain over multiple days has left the ground saturated. Mud slides in urban areas and along the coastal region are becoming more common. Flooding is minor because the weather has been cold enough so as not to bring out any low altitude snow. Milk production in the region remains heavy. The cows are in good shape and being kept out of the mud and wet. Production per cow, fat tests, and protein levels are all at good seasonal levels. Some better quality hay is now coming out of storage and is being readily purchased by milk producers. Export buyers are much more active in the market now that the holidays have passed. They are not finding much to meet their quality standards at this time. The “open winter” of 1998-99 continues in the Utah and Idaho region. Very little snow is found in the milk production valleys. The weather is ideal for continued strong output. The only problems noted are from those producers that are strictly in a feed lot situation where mud may be more of a problem. Some herds are facing increasing somatic cell counts. Most plants in the region are continuing to operate on very heavy schedules. Some plants are now building some added cheese inventories.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 01/21/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Nonfat dry milk prices are trending lower. Manufacturers lowered prices to move product and to remain competitive with Western NDM. Production remains at moderate to heavy levels. Shifting of milk from cheese to butter/ powder plants is being assessed following the decline in cheese prices at the CME during the last four trading sessions. Demand is lighter and unaggressive. Buyers are getting offers from many national sources. Producers' stocks are moderate and building.

Includes EXTRA GRADE and GRADE A, low and medium heat
NONFAT DRY MILK: 1.0550 - 1.1000 MOSTLY: 1.0600 - 1.0700

DRY BUTTERMILK - CENTRAL

Dry buttermilk prices are lower with a continued weak market undertone. Churning levels remain high in the region and more condensed buttermilk is being positioned for drying. Offerings are plentiful from producers and resellers. Western prices are lower and providing buyers with alternative sources. Central offerings are having to be discounted to remain competitive. Stocks are high for the current light demand.

BUTTERMILK: .8000 - .8300

DRY WHEY - CENTRAL

Dry whey prices continue to trend lower. Buying interest is more subdued following some major block purchases last week. The situation of several manufacturers improved with the volume sales with some raising prices after their sales. Others remain in a surplus position and are having to offer discounts to move whey. Production remains strong in the region as milk supplies are increasing. Producers are concerned about the drastic drops of cheese prices during the past several trading sessions at the CME. The need to shift milk away from cheese manufacture is being debated. Contacts have noted that increased volumes of condensed whey are being offered on the marketplace with prices all over the board. Stocks range from moderate to heavy.

NONHYGROSCOPIC: .1750 - .2150 MOSTLY: .1800 - .2000

ANIMAL FEED WHEY - CENTRAL

Animal feed whey prices are lower and nominal in light market trading. The market tones for these products are generally weaker, following trends of both the edible whey and WPC markets. Demand is light for all. Blocks of edible whey are often being offered near levels where off grades are being offered. Buyers are being selective of products they are buying.

MILK REPLACER:	.1500 - .1700
STANDARD:	TFEWR
ROLLER GROUND:	.2050 - .2150
DELACTOSE (Min. 20% protein):	.3075 - .3475

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged. The market tone is mostly steady, but some weakness is noted. Drying remains active and lactose is available from most producers. Contract loads are moving to both domestic and export accounts, but spot interest and sales are slow. Stocks are ample to long for all needs.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
EDIBLE: .1400 - .2000 MOSTLY: .1600 - .1750

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate prices are again lower and reflect a weaker market tone. Buying interest is light as buyers see a lot of offers coming from both plant and resale sources. Demand remains depressed from feed accounts. (While not reported in the edible price series, off grade WPC offerings are common and being heavily discounted.) Stocks are moderate to heavy at the plant level.

EXTRA GRADE 34% PROTEIN: .4800 - .5400 MOSTLY: .5000 - .5200

NONFAT DRY MILK - WEST

Low/medium heat nonfat dry milk prices continue to decline. The market undertone remains weak. Spot buying interest is subdued this week, in part due to the sharp declines in the cheese market. The value of the fat in cheese has dropped below the value of the fat in butter. Cheese manufacturers have backed away from standardizing/fortifying vats. In addition, condensed skim usage has decline, which then has to be dried into more NDM. DEIP orders continue to be filled from previously made transactions. Stocks are building in the region for several producers. High heat prices are lower and nominal in limited trading. With high volumes of NDM to produce, many manufacturers have their fill of low heat and are not able or willing to make high heat. Some producers are trying to produce more high heat to fill shortages. On Friday, January 15, CCC received a support price offer of 250,717 pounds of NDM at the 1998 support price of $1.0280.

Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0300 - 1.0800 MOSTLY: 1.0300 - 1.0500
HIGH HEAT: 1.1000 - 1.1600

DRY BUTTERMILK - WEST

Dry buttermilk prices are again lower. Market conditions are weak. Drying schedules have increased as churning in the region is building to balance cream supplies. Producer offerings are excessive of the very limited demand. Buyers are holding out until they absolutely need powder and are able to chose from a variety of sources and prices. Stock levels are high. Orders for condensed buttermilk are light.

BUTTERMILK: .7600 - .8400 MOSTLY: .7800 - .8200

DRY WHEY - WEST

Prices for Western whey continue to decline. Sellers are lowering prices, attempting to continue to move good volumes of powder. They are succeeding to some extent. Some producers have more powder on hand than they desire, but stocks are less than is noted in other areas of the country. Both export and domestic sales are fair to good. Of more concern to Western producers are the stocks of whey powder that have been downgraded from extra grade to something lower because of various defects. Most in the trade are unsure on how to market this powder. The problem is also magnified by the declining market in general. Production of whey is heavy.

NONHYGROSCOPIC: .2000 - .2400 MOSTLY: .2100 - .2250

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended January 15, on powder sales of 10,371,927 pounds f.o.b. California manufacturing plants was $1.0634 per pound. This compares to 9,717,096 pounds at $1.0746 for the previous week ending January 8, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

The NDM market is weak. Current domestic interest is generally light. Drying schedules remain seasonally active. Manufacturing milk volumes are irregular, but still seasonally heavy. Reconstituting powder is a more attractive alternative to many users than the much higher priced condensed. Producers have been catching up with their back orders. Reports of DEIP activity, both old and new, are occurring. Inventories are increasing at most producers.

*Correction on last week's Southern reported price: it should have read $1.1000 - 1.1800 instead of as printed.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:			
LOW/MEDIUM HEAT:	1.0700 - 1.1450	MOSTLY:	1.0900 - 1.1200
HIGH HEAT:	1.1200 - 1.1800	MOSTLY:	1.1500 - 1.1700
DELVD SOUTHEAST:			
ALL HEATS:	1.1000 - 1.1800*		

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Buttermilk remains weak on a light test. Current demand remains quiet. Inventories are accumulating as churning and buttermilk drying schedules remain seasonally active.

F.O.B. NORTHEAST:	.8700 - .9000
DELVD SOUTHEAST:	.8625 - .8875

DRY WHOLE MILK - NATIONAL

The whole milk market is steady, though a weak undertone continues. Production remains seasonally light. Many domestic buyers are delaying purchases until prices reflect anticipated declines in manufacturing milk prices in a month or two.

F.O.B. PRODUCING PLANT: 1.4200 - 1.8200

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH JANUARY 15, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	-- 69,468	MT (153,149,152 LBS)
CHANGE	-- 3,549	MT (7,824,126 LBS)
WHOLE MILK POWDER	-- 3,080	MT (6,790,168 LBS)
CHEESE	-- 2,997	MT (6,607,186 LBS)
BUTTERFAT	-- 0	MT
REALLOCATED NDM	-- 25,357	MT (60,311,242 LBS)

Allocations for the DEIP year beginning July 1, 1998, are: Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT; Cheese - 3,350 MT; Butterfat - 29,854 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

The whey market remains weak. Prices are unchanged to lower. Drying schedules remain seasonally heavy, reflecting manufacturing milk supplies. Demand is still below levels needed to clear current offerings. Inventories remain heavier than desired.

F.O.B. NORTHEAST:	EXTRA GRADE	.1750 - .2300
	USPH GRADE A	.1900 - .2475
DELVD SOUTHEAST:		.2075 - .2500

ANIMAL FEED WHEY - NORTHEAST

Prices are unchanged and demand remains quiet. Offerings are more than adequate to meet needs. Most interest is limited to fill-in activity as buyers anticipate prices to decline further.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Current prices and market are unchanged. Production levels vary by the available supply of surplus milk. Current demand is light and mainly for fill-in needs. Producer supplies are adequate to meet the current interest.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED
MAJOR U.S. CITIES $23.62 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are steady at unchanged prices, although the market undertone remains weak. Buyers of casein indicate that stocks of both rennet and acid are readily available for current and future needs. As has been stated in past weeks, buyers do not foresee major problems with supplies for the balance of the first quarter and into midyear.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.9500 - 2.0500
ACID:	1.9000 - 2.0000

COFFEE, SUGAR, & COCOA EXCHANGE (A Subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

CSCE/NYBT - BFP -- Dollars per cwt**.**

Month	01/05	01/06	01/07	01/08	01/11	01/12	01/13	01/14	01/15	01/18
JAN 99	16.10 (167) 6	15.65 (167) 2	15.43 (184) 21	15.63 (188) 14	15.80 (188) 6	16.00 (194) 1	16.00 (193) 2	15.80 (193) 1	15.65 (193) 0	NO TRADING
FEB 99	13.93 (85) 4	13.55 (99) 16	13.33 (99) 6	13.38 (99) 2	13.40 (101) 3	13.65 (101) 3	13.80 (101) 9	13.35 (101) 12	13.00 (121) 20	
MAR 99	12.78 (55) 7	12.70 (56) 9	12.70 (56) 5	12.68 (56) 0	12.68 (56) 1	12.71 (56) 0	12.74 (57) 2	12.69 (57) 0	12.66 (62) 5	
APR 99	12.43 (126) 3	12.43 (127) 1	12.36 (129) 5	12.35 (129) 0	12.36 (130) 1	12.34 (130) 0	12.35 (133) 3	12.35 (133) 0	12.34 (136) 3	
MAY 99	12.00 (49) 0	11.93 (49) 6	11.92 (51) 4	11.93 (52) 1	11.95 (55) 3	11.95 (56) 1	11.93 (56) 0	11.93 (59) 3	11.90 (59) 3	
JUN 99	12.06 (33) 0	12.02 (34) 1	12.00 (39) 5	12.02 (40) 1	12.02 (40) 0	12.02 (41) 1	12.02 (42) 1	12.02 (44) 2	12.00 (53) 11	
JUL 99	12.40 (9) 0	12.40 (10) 1	12.39 (11) 1	12.40 (11) 0	12.39 (11) 0	12.35 (11) 0	12.35 (11) 0	12.35 (12) 1	12.33 (13) 1	
AUG 99	12.65 (11) 0	12.65 (13) 2	12.63 (13) 0	12.68 (15) 2	12.67 (16) 1	12.66 (16) 0	12.67 (17) 1	12.64 (17) 0	12.63 (19) 2	
SEP 99	13.05 (22) 0	13.05 (22) 0	12.98 (24) 2	13.04 (25) 1	13.05 (25) 0	13.03 (25) 0	13.03 (26) 1	13.03 (27) 1	13.00 (28) 1	
OCT 99	13.45 (27) 0	13.45 (27) 0	13.28 (29) 2	13.35 (31) 2	13.30 (32) 1	13.30 (32) 0	13.34 (33) 1	13.33 (33) 0	13.33 (33) 0	
NOV 99	12.98 (3) 0	13.00 (4) 5	12.99 (5) 1	12.98 (7) 2	12.95 (7) 0	12.95 (7) 0	12.98 (8) 1	12.95 (8) 0	12.95 (8) 0	

CME - BUTTER -- Cents per pound

Month	01/05	01/06	01/07	01/08	01/11	01/12	01/13	01/14	01/15	01/18
FEB 99	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	146.00 (22) 0	NO TRADING
MAR 99	152.00 (18) 0	152.00 (18) 0	152.00 (18) 0	152.00 (18) 0	152.00 (18) 0	152.00 (18) 0	152.00 (18) 0	149.00 (18) 0	149.00 (18) 0	
MAY 99	150.00 (1) 0	150.00 (1) 0	150.00 (1) 0	150.00 (1) 0	150.00 (1) 0	150.00 (1) 0	150.00 (1) 0	149.00 (1) 0	149.00 (1) 0	

CME - BFP -- Dollars per cwt.

Month	01/05	01/06	01/07	01/08	01/11	01/12	01/13	01/14	01/15	01/18
JAN 99	16.10 (741) 88	15.65 (783) 72	15.48 (790) 140	15.64 (794) 22	15.86 (787) 30	16.03 (784) 25	16.03 (787) 16	15.86 (787) 27	15.70 (787) 37	NO TRADING
FEB 99	13.93 (468) 57	13.60 (522) 111	13.35 (532) 99	13.37 (524) 21	13.39 (530) 32	13.65 (549) 53	13.78 (542) 38	13.30 (544) 52	12.95 (566) 128	
MAR 99	12.80 (379) 48	12.70 (379) 60	12.72 (382) 29	12.66 (401) 26	12.67 (395) 21	12.74 (397) 13	12.80 (397) 6	12.70 (400) 16	12.66 (413) 31	
APR 99	12.40 (361) 48	12.35 (397) 49	12.35 (400) 12	12.34 (423) 29	12.35 (430) 9	12.33 (430) 4	12.40 (430) 3	12.33 (432) 3	12.33 (438) 31	
MAY 99	12.00 (244) 4	11.94 (245) 7	11.95 (247) 2	11.95 (253) 11	11.93 (263) 20	11.95 (271) 13	11.96 (273) 2	11.95 (273) 0	11.91 (322) 73	
JUN 99	12.04 (204) 2	12.01 (204) 5	12.02 (204) 3	12.01 (204) 3	12.01 (206) 10	12.01 (217) 21	12.01 (219) 3	12.01 (219) 1	12.00 (243) 28	
JUL 99	12.40 (171) 5	12.40 (171) 5	12.40 (171) 1	12.40 (171) 3	12.40 (192) 30	12.37 (196) 9	12.37 (198) 6	12.37 (198) 0	12.35 (200) 11	
AUG 99	12.67 (124) 0	12.79 (128) 16	12.69 (128) 2	12.69 (131) 13	12.65 (136) 5	12.65 (138) 2	12.65 (140) 4	12.67 (140) 2	12.65 (148) 9	
SEP 99	13.10 (102) 0	13.05 (103) 1	13.05 (103) 0	13.05 (105) 2	13.05 (112) 10	13.05 (118) 6	13.05 (120) 2	13.05 (120) 0	13.04 (120) 6	
OCT 99	13.40 (178) 0	13.35 (189) 12	13.31 (189) 2	13.35 (189) 5	13.30 (189) 1	13.30 (189) 0	13.30 (189) 0	13.30 (189) 1	13.30 (189) 8	
NOV 99	13.00 (42) 0	13.00 (42) 0	13.01 (43) 6	12.96 (48) 10	12.97 (54) 15	12.97 (54) 2	13.00 (54) 5	13.00 (54) 0	12.93 (61) 12	

CME - CHEDDAR CHEESE -- Cents per pound

Month	01/05	01/06	01/07	01/08	01/11	01/12	01/13	01/14	01/15	01/18
JAN 99	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	164.50 (1) 0	164.475 (1) 0	164.25 (1) 1	164.25 (1) 0	161.75 (1) 0	161.50 (1) 0	NO TRADING

1/ At the CSCE/NYBT Open interest for NDM -- 44,000 pounds per contract, Cheddar Cheese -- 10,500 pounds per contract, Fluid Milk -- 50,000 pounds per contract, BFP -- 100,000 pounds per contract. At the CME Open interest for Cheddar Cheese -- 40,000 pounds per contract and BFP -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered January 11 - 22, 1999

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: The Euro has now been in place for 3 weeks and more dairy related transactions are occurring using the new monetary system, although many dairy traders continue to deal and think in present and continued older monetary systems. Overall trading continues to center around nearby domestic trade with international sales remaining light. Stock levels are reported to range from in good balance to plentiful. Milk production in some areas of Europe is starting to show signs of seasonal increases. For the most part, milk output is running ahead of quota levels, but lighter than last year at this time. With about 10 weeks left before the end of the current quota year, milk handlers state that there is still time for producers to adjust their milk marketings to avoid quota penalties. Weather conditions in most areas of Europe have been typical for the winter season, but not as severe as in years past.

BUTTER/BUTTEROIL: Butter markets are generally steady with prices unchanged to slightly higher at the low end of the reported range. The overall tone to the market is steady. Production during the past year-end holiday period of the year generated additional volumes of butter. Stocks range from heavier than desired to in close balance. Although butter production is seasonally low, producers are looking ahead to production that will be eligible for PSA offering which is expected to begin in a few months. Trading activity remains light and unaggressive. No significant buying interest is occurring from Russia other than minimal/small lot volumes.

82% BUTTERFAT:	1,630 - 1,900
99% BUTTERFAT:	2,200 - 2,600

SKIM MILK POWDER (SMP): Skim milk powder markets in Eastern and Western Europe are generally steady. In most instances, producers are preparing for intervention production which can begin by February 1 with powder eligible for offering on or after March 1. For the most part, sales activity is limited to domestic sales with international buyer interest slow and unaggressive. Traders do not foresee any substantial buyer interest for the balance of the first quarter with hopefully interest by April or May.

1.25% BUTTERFAT:	1,300 - 1,475

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to weak. Buying interest is slow and unaggressive. As is typical, whole milk powder stocks are low. In most instances, whole milk powder is only produced once a sale has been negotiated. At this time, there is basically no international buyer interest for any substantial volumes of whole milk powder. Traders do not anticipate much buyer interest until the second calendar quarter of this year.

26% BUTTERFAT:	1,500 - 1,700

SWEET WHEY POWDER: Whey markets are steady at unchanged prices. At this time, buying interest centers around domestic sales with very minimal international sales occurring. Strong cheese production in past weeks has enhanced whey stocks, thus traders are able to meet current buyer interest.

NONHYGROSCOPIC:	600 - 640

OVERVIEW: EASTERN EUROPE: Weather conditions in Eastern Europe are very typical for the middle of January. Milk handlers are reporting that receipts are seasonally low, but sufficient to maintain manufactured dairy product inventories at manageable levels. Trading activity continues to be limited internationally with some continued small volume sales occurring with Russia. Some of the Russian traffic occurring is from sales previously negotiated and now only being shipped.

OCEANIA

OVERVIEW: As the milk production season winds down in the Oceania region, milk handlers are reviewing trends in comparison to last season. In New Zealand, less than favorable weather conditions have hindered the 98/99 production season and milk receipts are indicating that year to date production is running behind last year. In Australia, weather conditions have been more favorable and milk output is being pegged between 4.5 to 5% above last year at this time. With milk production higher and lower within the Oceania producing countries, manufactured stocks of dairy products are in fairly good balance. Ongoing international trade, although not significantly active, continues to clear stocks. Outside of cheese, stock levels of other manufactured dairy products are reported to be in a comfortable position. Overall prices in the Oceania region are holding steady.

BUTTER: Butter stocks in the Oceania region are in better balance than previously indicated. In many instances, contracted sales are keeping stocks moving, thus most producers are comfortable with current stock levels. Some report that they do not have a lot left over for spot buyer interest should that develop. Stable to lower milk production in New Zealand is one of the factors that traders in the region say is contributing to the comfortable inventory situation.

82% BUTTERFAT:	1,600 - 1,700

CHEDDAR CHEESE: Oceania cheese markets are mixed with prices generally unchanged. International sales continue to clear moderate amounts of cheese through regular contractual sales with minimal new sales occurring. Stocks of cheese are in the heaviest position of current manufactured dairy products. As the milk production season winds down, cheese production is usually where end of season milk volumes will end up.

39% MAXIMUM MOISTURE:	1,800 - 1,900

SKIM MILK POWDER (SMP): Skim milk powder markets are steady to firm with prices unchanged to slightly higher. Stock levels are reported to be in good balance with supplies available for spot sales fairly low. Oceania traders are comfortable with inventory levels in conjunction with slow international sales. The unsettled financial conditions in Asia and Russia, and now South America, have traders throughout the world monitoring the situation as to its impact on international buying potential for dairy products. Not only are the countries directly affected by the currency situation a concern, but also the nearby/ bordering countries.

1.25% BUTTERFAT:	1,325 - 1,400

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. Oceania traders report that international buyer interest remains slow and unaggressive. Stock levels are in good balance at this time. Traders indicate that potential sales are limited, but in the event buying interest would improve, the Oceania region would be a viable source for needed supplies.

26% BUTTERFAT:	1,625 - 1,675

Exchange rates for selected foreign currencies: January 19, 1999

.5266 Dutch Guilder	.5934 German Mark
.1769 French Franc	.5362 New Zealand Dollar
.0978 Mexican Peso	.6340 Australian Dollar
1.6560 British Pound	.0088 Japanese Yen
.2837 Polish Zloty	1.1605 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0978) = 10.2249. That is 1 US Dollar equals 10.2249 Mexican Pesos.

Source: "Wall Street Journal"

DECEMBER MILK PRODUCTION

Milk production in the 20 major states during December totaled 11.4 billion pounds, up 3.0 percent from production in these same states in December 1997. November revised production, at 10.9 billion pounds, was up 2.7 percent from November 1997. Production per cow in the 20 major states averaged 1,478 pounds for December 1998, 40 pounds above December 1997. The number of cows on farms in the 20 major states was 7.74 million head, 12,000 head above December 1997 but 1,000 head below November 1998. The October-December quarterly production of milk for the U.S. was 39.1 billion pounds, up 2.4 percent from the October-December period in 1997. The average number of milk cows in the U.S. during October-December quarter was 9.19 million head, 12,000 head less than the same period last year.

STATE	MILK COWS 1/ 2/				MILK PRODUCTION 1/ 3/			
	DECEMBER		OCTOBER-DECEMBER		DECEMBER		OCTOBER-DECEMBER	
	1997	1998	1997	1998	1998	% CHANGE FROM 1997	1998	% CHANGE FROM 1997
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	—	—	29	27	—	—	90	-10.0
AK	—	—	0.9	0.8	—	—	3.51	-7.6
AZ	130	132	130	132	237	6.8	674	6.6
AR	--	--	52	51	--	--	171	11.8
CA	1,348	1,397	1,343	1,394	2,326	0.9	6,975	0.8
CO	--	--	83	83	—	—	414	4.8
CT	--	--	30	30	--	--	128	---
DE	—	—	10.5	11.0	—	--	44.6	16.8
FL	160	157	159	158	198	-5.7	545	-4.6
GA	--	--	96	90	--	--	341	-4.5
HI	--	--	8.9	8.8	--	--	29.5	6.5
ID	280	301	280	300	497	10.2	1,472	10.3
IL	145	139	145	139	193	1.6	558	---
IN	140	142	140	142	195	4.8	559	2.8
IA	240	240	241	240	358	5.0	1,016	2.0
KS	--	--	80	83	--	--	320	1.6
KY	140	130	141	131	135	-5.6	395	-6.6
LA	--	--	76	68	--	--	176	-4.3
ME	--	--	39	41	--	--	163	1.9
MD	--	--	86	86	—	—	352	6.3
MA	--	--	25	26	—	—	105	---
MI	299	299	301	298	451	1.8	1,333	1.5
MN	570	550	572	555	798	4.5	2,281	4.2
MS	--	--	44	41	--	--	131	-7.7
MO	162	164	164	163	198	4.8	573	3.8
MT	--	--	18	18	—	—	73	4.3
NE	--	--	69	72	--	--	290	11.1
NV	--	--	26	26	--	--	122	---
NH	--	--	18	19	--	--	77	-3.8
NJ	--	--	20	19	—	—	72	1.4
NM	208	218	206	218	365	8.0	1,083	8.1
NY	700	702	699	702	983	3.3	2,868	2.5
NC	--	--	75	72	--	--	291	-4.9
ND	--	--	49	50	--	--	172	8.2
OH	272	265	274	266	366	1.9	1,072	1.1
OK	--	--	95	94	--	--	310	---
OR	--	--	88	88	—	—	400	3.1
PA	638	629	639	631	912	--	2,679	0.4
RI	--	--	2.0	2.0	—	—	7.6	-1.3
SC	--	--	25	24	—	—	90	-1.1
SD	--	--	102	102	--	--	366	8.3
TN	--	--	106	101	--	--	357	-3.8
TX	380	365	380	366	476	0.6	1,344	-0.4
UT	--	--	89	93	--	--	381	4.1
VT	158	162	158	161	227	3.7	661	3.3
VA	120	121	120	120	153	-5.0	448	-3.9
WA	260	261	260	260	448	4.4	1,327	4.0
WV	--	--	18	18	--	--	68	---
WI	1,382	1,370	1,385	1,368	1,932	5.5	5,630	4.4
WY	--	--	5.7	5.5	--	--	19.3	-6.0
22 STATE TOTAL	7,732	7,744	—	--	11,448	3.0	--	--
U.S. 4/ 5/	--	--	9,206	9,194	—	—	39,058	2.4

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (1-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

NOVEMBER FLUID MILK SALES HIGHLIGHTS

During November, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.6 percent below the previous year and 0.2 percent above October 1998 on an adjusted daily average basis. Sales of whole milk items were 0.9 percent below the previous year; sales of fat-reduced milk items were 0.3 percent below the previous year. Total fluid milk sales were higher in the Midwest and Southwest, and lower in the Northeast, Southeastern, and Far West regions.

SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, FAT-REDUCED MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, NOVEMBER 1998, WITH COMPARISONS 1/

Region 4/	Whole Milk Items 2/				Fat-reduced Milk Items 3/				Total Fluid Items			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Nov	Year to date	Prev. year 5/	Year to date 5/	Nov	Year to date	Prev. year 5/	Year to date 5/	Nov	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	331	3,719	-3.7	-2.1	450	4,959	-0.2	-0.1	781	8,679	-1.8	-1.0
Southeastern	326	3,648	-0.1	-1.3	429	4,815	-0.3	0.3	756	8,464	-0.3	-0.4
Midwest	262	2,880	1.4	1.3	934	10,203	0.1	-0.5	1,196	13,083	0.2	-0.1
Southwest	164	1,849	0.3	0.5	205	2,257	0.2	0.3	369	4,106	0.2	0.4
Far West	325	3,652	-1.2	-0.8	666	7,383	-0.9	-1.3	990	11,035	-1.1	-1.1
All Areas Combined	1,409	15,750	-0.9	-0.7	2,683	29,617	-0.3	-0.4	4,092	45,367	-0.6	-0.5

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 90 percent of total fluid milk sales in the U.S. 2/ Whole milk items include plain, flavored, and miscellaneous whole milk products. 3/ Fat-reduced milk items include plain, solids added, flavored, and miscellaneous reduced fat, low fat, and fat-free products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 65, report #12. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND FAT-REDUCED MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, OCTOBER 1998, WITH COMPARISONS 1/

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole Milk 2/	1,509	0.3	-0.7
Reduced Fat Milk (2%)	1,374	-1.9	-2.4
Low Fat Milk (1%) 3/	720	2.3	2.4
Fat-Free Milk (Skim)	736	0.9	0.9
Buttermilk	49	-3.9	-1.8
Total Fluid Milk Products 4/	4,403	0.1	-0.5

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Tennessee Valley market, which was terminated October l, 1997, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.
2/ Includes flavored whole milk. 3/ Includes flavored fat-reduced milk.
4/ Includes miscellaneous products.

SOURCE: **Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.**

U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 1997 ANNUAL, AND JANUARY-OCTOBER 1997 AND 1998

COMMODITY SUMMARY OF U.S. IMPORTS OF DAIRY PRODUCTS 1/

Commodity	Quantity (in Metric Tons)			Value (In $1,000)		
	Jan.-Dec. 1997	Jan.-Oct. 1997	Jan.-Oct. 1998	Jan.-Dec. 1997	Jan.-Oct. 1997	Jan.-Oct. 1998
Milk and Cream 2/	9,024	7,087	8,899	8,499	6,587	9,177
Other Fluid Products 2/	998	287	1,449	5,090	3,396	7,216
Dried Dairy Products	10,308	7,909	12,338	15,933	12,043	16,622
Cheese, Quota	98,213	73,265	89,841	352,682	262,855	317,583
Cheese, Nonquota	40,732	34,082	35,695	188,347	156,493	158,061
Butter	10,956	9,992	29,470	19,292	17,343	56,051
Casein	65,025	54,608	56,924	280,952	237,630	241,765
Milk Protein Concentrate	28,392	22,365	33,339	104,649	83,288	113,941
Other, Dairy Products	20,734	15,922	25,343	50,792	39,215	59,981
Total 3/	---	---	---	1,026,236	818,850	980,397

1/ Data may differ from U.S. Customs Service data, which is used to administer dairy import quotas. Differences are due to transshipments, errors in classification, and processing lags. 2/ Quantity for fluid dairy products shown in kiloliters. 3/ Total volume not shown due to the use of mixed units.

COMMODITY SUMMARY OF U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Quantity (in Metric Tons) 1/			Value (In $1,000)		
	Jan.-Dec. 1997	Jan.-Oct. 1997	Jan.-Oct. 1998	Jan.-Dec. 1997	Jan.-Oct. 1997	Jan.-Oct. 1998
Butter & Milkfat	15,025	13,763	8,549	25,955	24,073	13,569
Cheese & Curd	37,436	30,623	30,130	123,333	97,971	94,896
Casein	3,927	3,146	5,187	20,445	16,389	19,018
Dry Whole Milk & Cream	48,609	35,952	35,376	76,187	55,358	51,914
Condensed & Evaporated Milk	9,344	7,397	7,485	6,416	5,151	6,817
Nonfat Dry Milk	62,070	46,068	64,198	109,233	82,758	106,166
Ice Cream	36,767	32,974	34,674	83,264	74,433	73,273
Whey	---	---	---	124,464	106,810	99,935
Yogurt & Other Fermented Milk	---	---	---	7,356	6,168	5,749
Other Dairy Products	---	---	---	293,607	240,952	242,583
Total 1/	---	---	---	870,260	710,063	713,920
Fluid Milk & Cream 2/	43,650	37,682	27,725	34,287	29,265	22,712
Total Milk & Products 1/	---	---	---	904,547	739,328	736,632

1/ Volume information for whey, yogurt and other fermented milk, other dairy products, and total milk and products is not available as these commodities are reported in mixed units. 2/ Quantity for fluid milk and cream shown in kiloliters.

SOURCE: "Foreign Agriculture Circular: Dairy, Livestock, and Poultry: U.S. Trade and Prospects", FDLP 12-98, December 1998, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, DC. Data provided by U.S. Department of Commerce, Bureau of the Census. For further information, contact Arthur Coffing at (202) 720-3761.

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, ANNUAL AVERAGES, 1995-1998 1/

CITY	1995			1996			1997			1998		
	Federal Order	Coop.	Differ-ence	Federal Order	Coop.	Differ-ence	Federal Order	Coop.	Differ-ence	Federal Order	Coop.	Differ-ence
	Dollars Per Hundredweight											
Atlanta, GA	14.70	14.83	0.13	16.71	17.74	1.03	14.85	16.08	1.23	16.62	17.78	1.16
Baltimore, MD	14.65	15.60	0.95	16.66	17.46	0.80	14.80	15.92	1.12	16.57	17.74	1.17
Boston, MA 2/	14.86	15.57	0.71	16.87	17.63	0.76	15.01	15.96	0.95	16.78	17.30	0.52
Carbondale, IL	13.63	14.64	1.01	15.64	16.99	1.35	13.78	15.89	2.11	15.55	17.18	1.63
Charlotte, NC	14.70	15.10	0.40	16.71	18.11	1.40	14.85	16.32	1.47	16.62	17.78	1.16
Chicago, IL	13.02	14.78	1.76	15.03	16.82	1.79	13.17	15.34	2.17	14.94	16.69	1.75
Cincinnati, OH	13.73	14.31	0.58	15.74	16.67	0.93	13.88	15.53	1.65	15.65	17.40	1.75
Cleveland, OH	13.62	14.12	0.50	15.63	16.41	0.78	13.77	15.34	1.57	15.54	17.17	1.63
Dallas, TX	14.78	14.96	0.18	16.79	17.25	0.46	14.93	15.46	0.53	16.70	16.97	0.27
Denver, CO	14.35	15.06	0.71	16.36	16.83	0.47	14.50	14.65	0.15	16.27	16.48	0.21
Des Moines, IA	13.17	13.82	0.65	15.18	16.41	1.23	13.32	14.95	1.63	15.09	16.00	0.91
Detroit, MI	13.47	14.30	0.83	15.48	16.36	0.88	13.62	14.69	1.07	15.39	16.35	0.96
Hartford, CT 2/	14.76	15.47	0.71	16.77	17.53	0.76	14.91	15.86	0.95	16.68	17.20	0.52
Houston, TX	15.32	15.50	0.18	17.33	17.79	0.46	15.47	16.00	0.53	17.24	17.51	0.27
Indianapolis, IN	13.52	14.45	0.93	15.53	16.69	1.16	13.67	15.45	1.78	15.44	17.09	1.65
Kansas City, MO	13.54	13.99	0.45	15.55	16.55	1.00	13.69	15.22	1.53	15.46	16.30	0.84
Little Rock, AR	14.39	14.57	0.18	16.40	16.77	0.37	14.54	15.10	0.56	16.31	17.15	0.84
Louisville, KY	13.73	14.13	0.40	15.74	16.67	0.93	13.88	14.98	1.10	15.65	16.65	1.00
Miami, FL	15.80	17.13	1.33	17.81	20.06	2.25	15.95	18.84	2.89	17.72	20.34	2.62
Milwaukee, WI	12.93	14.69	1.76	14.94	16.73	1.79	13.08	15.25	2.17	14.85	16.60	1.75
Minneapolis, MN	12.82	13.47	0.65	14.83	16.02	1.19	12.97	14.57	1.60	14.74	15.63	0.89
New Orleans, LA	15.37	15.43	0.06	17.28	17.69	0.41	15.42	16.12	0.70	17.19	17.74	0.55
Oklahoma City, OK	14.39	14.56	0.17	16.40	16.88	0.48	14.54	15.16	0.62	16.31	17.00	0.69
Omaha, NE	13.37	14.02	0.65	15.38	16.41	1.03	13.52	15.05	1.53	15.29	16.13	0.84
Philadelphia, PA	14.71	15.64	0.93	16.72	17.47	0.75	14.86	15.94	1.08	16.63	17.77	1.14
Phoenix, AZ	14.14	14.14	0.00	16.15	16.15	0.00	14.29	14.29	0.00	16.06	16.06	0.00
Pittsburgh, PA	13.62	14.44	0.82	15.63	16.18	0.55	13.77	14.61	0.84	15.54	16.43	0.89
St. Louis, MO	13.63	14.64	1.01	15.60	16.45	0.85	13.75	15.25	1.50	15.52	16.77	1.25
Salt Lake City, UT	13.52	13.67	0.15	15.53	15.73	0.20	13.67	13.90	0.23	15.44	15.67	0.23
Seattle, WA	13.52	13.97	0.45	15.53	15.88	0.35	13.67	14.01	0.34	15.44	16.14	0.70
Spokane, WA	13.52	13.97	0.45	15.62	16.07	0.45	13.77	14.30	0.53	15.54	16.34	0.80
Springfield, MO	13.81	14.21	0.40	16.10	16.71	0.61	14.24	15.20	0.96	16.01	16.85	0.84
Washington, DC	14.65	15.60	0.95	16.46	17.30	0.84	14.60	15.69	1.09	16.37	17.54	1.17
Simple Average	14.05	14.69	0.64	16.06	16.92	0.86	14.21	15.36	1.16	15.98	16.96	0.98

1/ These figures are simple averages of monthly prices. The cooperative price represents over-order Class I prices announced for the beginning of the month by cooperative associations in various city markets. The information relates to the major cooperative in each of the city markets and may not apply to all of the Class I sales in these city markets. These data are common market knowledge in the sense that the information represents basic Class I price announcements by the cooperative sent to all handlers who buy milk from them. These announced over-order prices represent charges for various services performed by the cooperative. Announced prices may not include handling or service charges applicable to milk from supply plants. In some instances, the announced over-order prices are not uniform in that competitive credits may be allowed. These prices have not been verified as having been actually paid by handlers. 2/ Data for 1997 and 1998 do not include the impact of prices established under the Northeast Dairy Compact.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR DECEMBER 1998. During December, about 7.4 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in December 1998 and 1997, the following comparisons involving producer deliveries have been estimated.) Producer deliveries were about 3.0 percent more than December 1997, and about 3.0 percent more than November 1998 on a daily average basis. Milk utilized in Class I products in December was 1.2 percent more than last year on an adjusted basis. Class I use this year represented 52 percent of producer milk deliveries compared to 43 percent in December 1997. The average blend price was $17.63 per cwt., $3.37 more than last year. Changes in class prices from year-earlier levels were as follows: Class I, up $3.21; Class II, up $3.21; Class III, up $4.05; and Class III-A, up $0.99.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF DECEMBER 1998

FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE 2/		BUTTER-FAT DIFF. 3/
		1998 TOTAL	CHANGE FROM 1997	1998 TOTAL	CHANGE FROM 1997	1998	1997	1998	1997	1998
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	498.7	3.4	231.3	-1.8	46	49	17.90	14.78	13.2
New York/New Jersey (NY City)	2	979.6	-1.9	420.7	-1.0	43	43	18.17	14.67	13.2
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	535.3	4.0	233.4	-2.2	44	46	17.35	14.41	---
NORTHEAST REGION		2,013.5	0.9	885.3	-1.5	44	45	17.89	14.63	13.2
Carolina (Charlotte)	5	259.6	3.5	209.9	3.0	81	81	18.62	15.44	13.2
Southeast (Atlanta/Birmingham)	7	502.1	-3.7	406.5	-1.6	81	79	18.70	15.43	13.2
Florida Markets (Tampa /Jacksonville/ Tallahassee/Miami)	12 4/	247.2	-3.3	217.3	-0.7	88	86	19.45	16.13	13.2
SOUTHEASTERN REGION	5/	247.2	-3.3	217.3	-0.7	88	86	19.45	16.13	13.2
Michigan Upper Peninsula (Marquette)	44*	4.9	-15.1	4.3	-1.8	88	76	17.36	13.94	13.2
Southern Michigan (Detroit)	40*	366.3	3.5	178.0	0.1	49	50	16.86	13.84	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36	290.0	3.5	157.7	4.5	54	54	17.62	14.12	---
Ohio Valley (Columbus)	33	249.6	-5.2	140.6	-1.9	56	54	17.50	14.13	---
Indiana (Indianapolis)	49*	164.6	-2.4	105.9	2.1	64	62	17.12	14.21	---
Chicago Regional	30*	556.4	-49.4	227.6	1.2	41	20	17.02	13.62	---
Central Illinois (Peoria)	50*	17.9	13.5	14.9	22.2	84	78	17.63	14.27	13.2
S. Illinois-E. Missouri (Alton)	32*	119.9	-21.5	83.0	-5.2	69	57	17.56	14.21	13.2
Louisville-Lexington-Evansville	46	110.5	-6.9	90.2	-0.3	82	76	17.74	14.52	13.2
Upper Midwest (Minneapolis)	68*	251.8	-69.8	140.1	1.7	56	17	16.91	13.44	---
Iowa (Des Moines)	79*	159.6	-45.3	90.1	4.6	56	29	16.69	13.65	---
Nebraska/W. Iowa (Omaha/Sioux City)	65*	107.2	-25.0	51.9	-3.4	48	38	16.17	13.61	---
Greater Kansas City/E. S. Dakota	64* 6/ 7/	54.3	31.9	---	---	---	---	17.92	14.76	13.2
MIDWEST REGION	5/	2,128.4	-35.8	1,104.1	0.7	52	33	17.12	13.74	13.2

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF DECEMBER 1998

FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE 2/		BUTTER-FAT DIFF. 3/
		1998 TOTAL	CHANGE FROM 1997	1998 TOTAL	CHANGE FROM 1997	1998	1997	1998	1997	1998
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106*	248.8	7.9	124.7	14.3	50	47	18.05	14.63	13.2
Texas (Dallas)	126*	443.2	-12.2	275.5	2.2	62	53	17.85	14.80	13.2
SOUTHWEST REGION		691.9	-5.9	400.2	5.7	58	52	17.92	14.75	13.2
E. Colorado/W. Colorado (Denver)	137 7/	143.3	-4.0	74.5	4.6	52	48	17.98	14.40	13.2
SW. Idaho/E. Oregon (Boise)	135*	60.3	-43.4	15.6	2.7	26	14	17.26	13.44	---
Great Basin (Salt Lake City)	139	183.7	-7.2	80.3	5.9	44	38	17.51	13.93	---
Central Arizona (Phoenix)	131	227.7	5.9	84.5	-0.9	37	40	17.03	13.95	13.2
New Mexico-West Texas (Albuquerque)	138*	87.6	-52.8	53.6	-1.1	61	29	17.08	13.81	13.2
Pacific Northwest (Seattle/Portland)	124	559.4	5.0	182.4	0.9	33	34	16.55	13.53	---
FAR WEST REGION		1,262.0	-9.0	490.8	1.7	39	35	17.01	13.78	13.2
COMP MKT. AVERAGE OR TOTAL	5/	6,343.0*	-17.5*	3,097.7	0.7	49	40	17.52	14.15	13.2
ALL-MKT. AVERAGE OR TOTAL	6/	7,429.1*	-16.7*	3,894.4	0.7	52	43	17.63	14.26	13.2
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		23,979.7*	1.2*	10,262.1	0.0	43	43			
Southeastern Region	5/	2,806.8	-3.5	2,441.8	-0.8	87	85			
Midwest Region	5/	34,153.4*	-10.0*	12,852.2	0.0	38	34			
Southwest Region		8,783.6*	-7.0*	4,661.5	-1.8	53	50			
Far West Region		16,107.6*	-6.9*	5,665.1	-0.2	35	33			
COMP MARKET AVERAGE OF TOTAL	5/	85,831.0*	-6.0*	35,882.7	-0.3	42	39	14.80	12.98	----
ALL MARKET AVERAGE OR TOTAL	6/ 8/	99,222.4*	-5.7*	44,972.8	0.1	45	43	14.92	13.10	----

* Because of certain pricing situations in these markets, handlers elected not to pool an estimated 2.3 billion and 570 million pounds of milk in December 1998 and 1997, respectively, that normally would have been pooled under these orders. The total estimated amounts not pooled for this reason are: for 1998, 16.0 billion pounds; and for 1997, 8.4 billion pounds. If these volumes had been pooled, the following percent changes in producer deliveries would have resulted: for December, Midwest region +3.0, Southwest region +11.9; Far West region +4.7, comparable market average +3.4, and all market average +3.0. Year to date, Northeast region +1.5, Midwest region +1.1, Southwest region -1.2, Far West region +5.3, comparable market average +1.6, and all-market average +1.4. 1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be $18.56. (4.0 minus 3.5 equals .5; 5 times $.132 equals $0.660; $17.90 plus $0.660 equals $18.560.) 4/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1998, $19.26; 1997, $16.35; and Southeastern Florida: 1998, $20.03; and 1997, $16.76. 5/ Figures are based on the same group of comparable markets--markets where orders were in effect the entire period 1997-98 and for which the data were not affected significantly by marketing area changes. Data for Iowa and Greater Kansas City/Eastern South Dakota are no longer comparable; some of the data during this period could not be released without revealing individual business operations. Due to the termination of the Tennessee Valley order, the data for Carolina, Southeast, and Louisville-Lexington-Evansville are no longer comparable and were excluded, where applicable. Most of the milk that would have been pooled under the terminated order was pooled under these three orders. 6/ Class I receipt and utilization data for the Iowa and Greater Kansas City/Eastern South Dakota areas are excluded from all-market figures; see 5/. 7/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1998, $17.42; 1997, $13.74 and Western Colorado: 1998, $17.87; 1997, $14.75. 8/ The data for 1997 includes the Tennessee Valley marketing area; see 5/.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE PERIOD OF JANUARY 15 - 22, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 01/15/99	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	728,875	19,279,590	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	728,875	19,279,590	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF JANUARY 15 - 22, 1999 =	0.0	0.0	COMPARABLE WEEK IN 1998 =	1.1	60.0
CUMULATIVE SINCE OCTOBER 1, 1998 =	0.2	8.5	CUMULATIVE SAME PERIOD LAST YEAR =	4.2	224.4
CUMULATIVE JANUARY 1 - 22, 1999 =	0.1	7.3	COMPARABLE CALENDAR YEAR 1998 =	2.5	133.0

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	728,875	19,169,415	100.0	99.4
EAST	-0-	-0-	-0-	-0-	-0-	110,175	0.0	0.6
TOTAL	-0-	-0-	-0-	-0-	728,875	19,279,590	100.0	100.0

SELLBACK TO THE TRADE	NONFAT DRY MILK (POUNDS)	MILK EQUIVALENT - MILKFAT BASIS* - MILLION POUNDS
CUMULATIVE SINCE 10/1/98	13,806,896	3.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - $9.90 per cwt.; 3.5% - $9.80

DOLLARS PER POUND

BUTTER: Bulk $.6500; 1# Prints $.6800

CHEESE: 40 & 60# Blocks $1.1000; 500# Barrels $1.0700; Process American 5# $1.1525; Process American 2# $1.1925

NONFAT DRY MILK: Nonfortified $1.0100; Fortified $1.0200; Instant $1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 01/02/99 & Comparable Week 1998 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK	U.S. TOTAL SINCE JAN 1	% DAIRY OF ALL WEEK	% DAIRY OF ALL SINCE JAN 1
1999-Dairy cows HD (000)	0.2	0.9	5.0	3.7	16.4	1.7	2.4	0.4	8.1	2.0	40.9	40.9	45.1	45.1
1998-Dairy cows HD (000)	0.2	1.3	4.8	4.5	20.7	1.7	3.4	0.8	10.7	2.1	50.4	50.4	48.0	48.0
1999-All cows HD (000)	0.2	1.0	6.9	10.9	23.3	9.7	16.7	5.6	9.5	6.6	90.6	90.6		
1998-All cows HD (000)	0.2	1.3	6.5	12.8	29.3	9.5	20.1	6.2	12.1	7.1	105.0	105.0		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CCC MARKET PRICE PURCHASES

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 34,022,961

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, $/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34